

## **The Marbella Property Market has touched bottom and is dramatically improving**

**Hard statistics and statements by industry experts, together with Panorama's recent sales figures, lead me to conclude that the residential real estate market in the Marbella area has, definitively, touched bottom and is improving dramatically.**

The first three quarters of 2013, compared with the same period of 2012, reflect a residential property sales volume increase in the Marbella-Estepona-Benahavis area of over 23% (3,752 sales compared with 3,044 sales) the greatest first three quarter sales volume since 2007 (source: Spanish Ministry of Public Works)

The fourth quarter has shown strong indications of further accelerating sales volume with almost all agencies reporting a significant increase in sales compared with the first three quarters.

As indicated in the statistics quoted in the Marbella Market Report 2013 issued last spring, 2012 sales volume in the above areas already increased by almost 22% over 2011.

Although the trends in Marbella became clear even last year, the national media announced that prices even on a national level are finally starting to increase (see these articles published in Europa Press and inEuribor.es).

Alfonso Galobart, Managing Director of the Spain division of CB Richard Ellis, the international property consulting firm, was recently quoted in El Mundo: "The arrival of big investors like Goldman Sachs and Blackstone buying large portfolios shows that the Spanish property market has touched bottom and now is the moment to invest. Spain, as a country, no longer has the risks it had five years ago, and that makes it much more attractive."

Industry expert Mark Stücklin, writer for The Sunday Times and his own blog, Spanish Property Insight, was quoted in Overseas Property Professional saying that prime Spain home prices will see gains in 2014.

Members of the Spanish government also agree. In reference to the Spanish housing market, Luis de Guindos, Minister for the Economy and Competitiveness, indicated last month that "some segments have touched bottom" (source).

The market trend is now firmly established. With such an increase in sales volume, it would appear that the crisis, with respect to most sectors of the Marbella market is finally over. Nevertheless, prices at present remain anywhere from 15 to 30% below market highs of 2006-2007 in the most consolidated residential areas, and up to 45% lower in the least consolidated areas, so in this sense, the crisis will remain for some time from the perspective of sellers who are reluctant to sell well below market highs. This is the nature of real estate cycles.

I am confident that this increasing market activity will accelerate even more in the coming months, as those who have been postponing their purchase while waiting for the market to bottom out, make their decisions to buy before the best buys on the market are sold and prices start increasing again.